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House Appropriations Subcommittee on Defense Holds Hearing on the Fiscal 2021 Budget Request for the Navy and Marine Corps

LIST OF PANEL MEMBERS AND WITNESSES

VISCLOSKY:

This morning the committee will receive testimony on the fiscal year 2021 budget request for the United States Navy and Marine Corps. Our three witnesses today are the Honorable Thomas Modly, Acting Secretary of the Navy; Admiral Michael Gilday, Chief of Naval Operations; and General David Berger, Commandant of the United States Marine Corps.

This is your first time before the subcommittee, and we welcome all of you. We look forward to hearing your thoughts about the fiscal year 2021 budget request and engaging in a dialog with us. Normally, I like to keep my opening remarks brief, however I have some significant concerns relative to the Department of the Navy and ask my colleagues' indulgence. The bulk of my remarks will focus on the fleet. However, I would like to begin by highlighting my concerns about the well-being and quality of life for sailors, marines and their families.

Of particular interest to me is childcare. Whether it is Key West, San Diego, Camp Pendleton or right here in the national capital region, we continually hear from sailors and marines about the lack of available care. The committee made a significant investment in fiscal year 2020 to mitigate this issue, and I applaud the Navy for building on that investment and obviously looking to continue to do so in your fiscal year 2021 request. So I just do want you to know personally I think it's the right thing to do that the Navy followed up. I appreciate it very much.

Let's see, okay, moving on to address the fleet, although the committee has not yet received the fiscal year 2021 shipbuilding plan, I am puzzled by the degree the fiscal year 2021 budget request deviates from the previous shipbuilding plan. Beyond that contradiction, what is even more disturbing is the fact that the department chose to transfer \$911 million of fiscal year 2020 shipbuilding funds to support the president's effort to build a wall on the Southwest border. We hear time and again that more ships are required, but then actions like these are taken, severely undercutting the credibility of the argument.

Furthermore, I am bewildered by the Navy's approach to the Virginia class submarine program in the budget. The Navy removed funding for a second Virginia class submarine then placed that sub at the top of its massive unfunded priority list, knowing full well that members of Congress on both sides of the aisle will advocate to find \$2.8 billion needed to construct that boat. It is clear to me that the Navy didn't make the difficult choices required to reduce other programmatic funding to fund the second submarine and is expecting Congress to do so. Perhaps today you can make suggestions relative to reduction options that the committee could consider.

I am also interested to hear an update on ship and submarine maintenance issues. Shipyard backlogs remain high, and the shipbuilding industrial base is facing production delays and capacity challenges. Last year, we included an additional \$625 million for submarine maintenance. Again, I would like to ask how you are building on that investment.

Finally, I remain concerned that the Navy may still be accepting ships with both minor and major defects which require additional costs and unscheduled maintenance. We've seen multiple issues with the Zumwalt class of destroyers and littoral combat ships and elite (PH) Ford-class aircraft carrier. I believe it is inexcusable if shipbuilders are delivering ships with defects. We need to understand what steps are being taken to improve the situation and to make sure that the taxpayers are not bearing the cost.

With that, I thank you again for appearing before the committee today to discuss these issues. We'll ask for you to summarize your testimony in a moment, but first would recognize Mr. Calvert.

CALVERT:

Thank you, Mr. Chairman. I would like to welcome each of our witnesses, the Acting Secretary of the Navy Thomas Modly, the Chief of Naval Operations Admiral Gilday; and the Commandant of the Marine Corps General Berger. This is the first time each of you have appeared before our subcommittee. We greatly look forward to hearing from your testimony.

Our sailors and marines play a key role in projecting power, ensuring freedom of navigation, protecting American interests, both at home and abroad. As many of us on the subcommittee have traveled to see the current demands of our fleet, we understand firsthand how important it is to ensure these sailors and marines are properly trained and equipped to carry out their mission.

In the current threat environment, integrated naval power is what keeps our nation safe. Fiscal year 2021 is a critical point as we continue to rebuild our military. The investments Congress made in the past several years have allowed our Navy to increase readiness, modernize key platforms and increase lethality. Now in this fiscal year I believe we must not lose sight of the return to a great power competition laid out in the National Defense Strategy. This budget request reflects the many difficult choices the Navy is having to make to balance current operational demand, properly invest in its people and increase research and development to ensure we maintain our technological and military superiority.

Many of these tough choices would be of great interest to me and other members of the subcommittee here today. There are a few items in this request that specifically I'd like to hear about. First, I'd like to understand how the shipbuilding proposal aligns with the National Defense Strategy. As you all know, China is on track to reach a 420-ship navy by 2035, and I am concerned that this request does not align with previous force structure assessments.

I would also like to get updates on our future fleet programs, including the Columbia-class submarine, frigate, and our amphibious warships, I think one of which was going to be built in Mobile, Alabama. Additionally, I would like to update our aircraft readiness recovery

goals and how we can sustain these improvements in the future so that readiness does not suffer again due to poor planning. I want to conclude by thanking all of you for your service, and I certainly look forward to your testimony. Thank you. I yield back.

VISCLOSKY:

Thank you very much. Mr. Secretary, you can proceed.

MODLY:

Chairman Visclosky, Ranking Member Calvert, distinguished members of this committee, thank you for your bipartisan efforts on behalf of the sailors, marines, civilians and their families in the Department of the Navy. It's an honor to be here today with Admiral Gilday and General Berger, both of whom have demonstrated great commitment to each other and to each other's respective naval service as they've worked collaboratively to lead our integrated American naval force.

Consistent with that spirit, we've taken a different approach to the written testimony--

ISCLOSKY:

You might want to put that mic closer to you. Thanks.

MODLY:

We've taken a different approach to the written testimony this year, submitting one unified document instead of three separate documents. Staying ahead in today's rapidly changing global strategic environment demands that our naval forces commit to unified planning, clear eyed assessments and sometimes, yes, some very hard choices, which you'll see in our budget submission.

In this process, we must harmonize competing priorities, sustain our critical industrial base and not allow her maritime competitive advantage to erode relative to global competitors. And more accurately stated, some very aggressive adversaries who wish to hasten our decline as a global force for liberty and for decency. In the end, this budget submission is a

manifestation of the hard choices we had to make this year, but is centrally about the safety, security and well-being of our sailors, marines and their families. Ultimately, I ask that you recognize that in the submission we could not make trades that put our sailors and marines on platforms and with equipment that are not ready for a fight, if a fight is what is required of them.

While this budget shows our trajectory to a force of 355 or more ships, it does not arrest that trajectory. You have my personal assurance that we are still deeply committed to building that larger, more capable, more distributed naval force within the--a strategically relevant timeframe of new more than 10 years. I look forward to working with this committee and the entire Congress in the coming months as we develop realistic plans to do so.

Our budget also demonstrate a clear commitment to the education of our people as we implement the recommendations of the Education for Seapower study that I led as the undersecretary of the Navy the last two years. We are establishing a naval community college for our enlisted personnel as part of a bold and unified naval education strategy that recognizes that the intellectual and ethical development of our people is critical to our success as a naval force. We're also stepping up our efforts to meet our solemn commitment to our military families through significantly more engaged oversight and accountability of the Public Private Venture housing program.

Finally, I would like this committee to understand that as leaders of the Department of the Navy, we are both vocal and united in our determination to prevent sexual assault and sexual harassment throughout our force. Every sailor, every marine, every Navy civilian deserve individual respect, dignity and protection from this great naval institution. We have work to do in this regard, but you have my personal commitment that we take it very, very seriously.

We are grateful to the committee for passing this year's NDAA, which enables many of the priorities identified within this document. In passing this legislation, you sent a strong signal of support to our people and a strong warning to our adversaries. We also appreciate the funding stability and the predictability of the past several years. This has saved money for

the American taxpayer and given our force the agility and flexibility to address emerging threats, while still investing in the integrated force.

We urge the committee to do what it can to continue this stability so that we can implement the reforms and investments required to meet the great power challenges, protect the Maritime Commons and defend the United States of America. Thank you very much for your time, and we look forward to your questions.

VISCLOSKY:

(OFF MIC)

GILDAY:

Chairman Visclosky, Ranking Member Calvert, distinguished members of the committee, good morning, and thank you for the opportunity to appear before you today with Secretary Modly and General Berger.

I'm also joined by my wife, Linda. We are thankful for your enduring support of the Navy Marine Corps team. Today, as we testify, three carrier strike groups and two amphibious ready--ready groups, along with 30 percent of our fleet, have been deployed around the globe today.

Our Navy Marine Corps team needs no permission to operate at sea and their power does not rest in any one location, but rather, in our ability to maneuver anytime and anywhere the seas reach, operating across the spectrum of military operation. Without question, our sailors remain our most important asset.

We have taken a hard look at what they need to be successful. The equipment and training they need to fight and win and as Chairman, you've mentioned, as well as the support required to take care of them and their families.

Over the past eight months, we have engaged in a deep examination of these issues. Our balanced approach and our budget submission provides the Navy ready to fight today while

committing to the training, the maintenance, the modernization to provide a Navy ready to fight tomorrow.

Naval power is critical to implementing the national defense strategy, but naval power is not just a function in fleet size, as the Secretary mentioned. It's also a combination of readiness, lethality, and the capacity of the fleet.

Our number one priority is the Columbia class ballistic missile submarine and all it brings to our national deterrent. This request also heavily invests in readiness accounts, such as ship and aircraft maintenance and modernization, manpower, spare parts, live virtual constructive training, as the Secretary mentioned, education, steaming days and flying hours. It invests in new systems to make our fleet more lethal, including increasing our weapons inventory, bolstering the range and the speed of those weapons, exploring directed energy weapons, and incorporating new technologies, like hypersonics.

This request grows our fleet in size, generating sustainable, capable capacity. Importantly, naval power is not just determined by what we operate and fight with, but how we operate and fight. We are pursuing an integrated approach alongside the United States Marine Corps and fleet operations and exercises, war games, and in experimentation. The net result, as Ranking Member Calvert mentioned, is integrated American naval power.

Thank you again for the stable and predictable funding, which has allowed us to make significant gains in readiness and lethality already. On behalf of your active duty, reserve, and civilian sailors and their families who serve this nation, your support allows us to answer the nation's call. On their behalf, I thank you and I look forward to your questions.

VISCLOSKY:

(OFF-MIC)

BERGER:

Chairman Visclosky, Ranking Member Calvert, distinguished members of this committee, I appreciate the opportunity to testify on the posture of your Marine Corps and our priorities

for the future.

I'll start by echoing Secretary Modly and Admiral Gilday's thanks for timely funding, as well as your enduring commitment to the Marines, sailors, and families through efforts such as the hurricane recovery, which you provided for last year, and revisions to our public private venture housing program.

Your bipartisan support is critical to ensure we continue to prioritize people as our greatest resource. Thanks to predictable funding over the last few years, we have made significant progress, restoring both availability and readiness. We are now at an inflection point.

We have to pivot now toward modernization while sustaining the readiness that this committee has resourced. This pivot, in my opinion, cannot wait until next year or the following. We must move now or risk overmatch in the future by an adversary, and that is a risk we will not take.

As the national defense directs and as Secretary Modly recently emphasized in his first vector to all hands, we must pursue urgent change at a significant scale. Marines have always sensed when it's time to move out smartly. We don't hesitate. This is that time, realizing the bold direction of our strategic guidance requires acknowledging fundamental changes in the operating environment and how we must organize, train, and equip the force.

I believe most leaders recognize that significant changes are required, yet the scope and pace of necessary change is seemingly at odds with some historical resource allocations and some major acquisition programs, which pre-date the national defense strategy.

This budget submission marks the beginning of a focused effort to better align resources with strategic objectives. Our future budget submissions will build on this investment strategy with inform recommendations for force design and adjustments to our programs of record.

Together in partnership with Admiral Gilday, my shipmate and battle buddy, and under the direction of Secretary Modly, we are committed to delivering the integrated naval and fleet Marine forces our nation requires.

As always, I welcome the opportunity to discuss our findings along the way and keep--keep each of you and your staffs informed as we progress. You have my word we will be frugal with the resources that you provide and we will ask for no more than we need. With Congress's commitment and support, we will ensure that your Marines continue to have every advantage when we send them into harm's way.

I look forward to your questions, sir.

VISCLOSKY:

General, thank you very much. Mr. Calvert.

CALVERT:

Thank you, Mr. Chairman. Acting Secretary Modly, one shortfall we hear of from nearly every combatant commander is ISR. I'm concerned that all the services did not request sufficient resources this fiscal year. Do you believe the Navy's request reflects this increased demand?

MODLY:

Sir, I think we--we went--as we were going through our budget process, we had to make trades in a variety of different areas. So, we--we went--when we went through this process, we went through the service chiefs and we asked them, "All right, can you--are you comfortable with the cuts that we have to take in certain areas?"

And, the decisions we made clearly would have--there are certain ones that we would have liked to have not made if we had had more resources. But, those balances were made based on what we believe was in the best interest of the safety and security of our Marines and sailors and--and in terms of maintaining the readiness of the--of our--of our fleet.

And, so those--

CALVERT:

--Was--was ISR brought up at these meetings?

MODLY:

--Oh, of course it was.

CALVERT:

And, what did they say? They didn't need any more of it?

MODLY:

No. No, sir. I think everyone thinks they need more ISR. We need more ISR everywhere, but there are just choices that had to be made based on the--the budget constraints that we had.

CALVERT:

And, what was more important than the--than the ISR that (INAUDIBLE)--

MODLY:

I can give you a variety of examples of things in readiness that we made choices over. It wasn't a binary choice between ISR and this. It was basically trying to balance across the whole budget.

But, I'll give you an example.--

CALVERT:

--The reason I bring it up, it seems that every combatant commander I talk to, the first thing they talk about is ISR. Why is that?

MODLY:

Well, they recognize how important it is and we do too.

CALVERT:

General, do you need more ISR out there?

BERGER:

Sir, we do. MQ9s, for the last year, based on resources provided by this committee, we've employed MQ9s in Afghanistan really effectively, down in Helmand Province.

At the tactical top regional level, there's--there's no command--there's no combatant commander--and I agree with you--that's ever going to be happy with the ISR, because that--that gives them the indications and warning that they're looking for.

CALVERT:

Yeah, that's--it troubles me, because, you know, the Chairman and I share our disappointment in this reprogramming. I know that's above all of your pay grade. I'm sure you're probably not too happy about it yourselves.

But, nonetheless, to break the--the line for the development of the Q9 Reaper extended range, whenever I--every single combatant command I talk to says they need more ISR. It doesn't make sense to me. Any--any comments on that? Admiral?

GILDAY:

Sir, a couple of comments in terms of investments that we--that we've made and have made with respect to contributing to ISR the joined force. The first is the MQ4 Triton and so that's a great capability that'll have a number of different sensors on it that we most recently have deployed two of those out into the Indo-Pacific AOR, and we have more coming.

As you're probably--

CALVERT:

--How much--how much does that cost?

GILDAY:

Sir, I'll have to get back to you on the exact price of--of an MQ4 air frame and the systems that go along with it. It depends on how it's configured. I don't mean to be evasive. I just don't know the number off the top of my head.

CALVERT:

Did you request Triton this year?

GILDAY:

No sir, we did not.

CALVERT:

I'm concerned that we're going to shut down an affordable platform. The MQ9 Reaper runs about \$20 million per unit. The--and obviously--you know, 99 percent of the world is--they can fly--they're not--we're not talking about denied air space here and for some future capability that's unknown and a price that's unknown.

And, most of the ISR we look at is five, six, seven--

CALVERT:

ten times as much money is the in MQ9 Reaper. Is--is that what you want--is that what the military wants to move to is something that's multiples more expensive but they could fly in a small part of the world? Is that what--was that good your understanding, Mr. Secretary?

MODLY:

No, sir. I don't think that's--I think some of those decisions were made about also around survivability being able to fly in permissive environments and not permissive environments and not permissive environments and also, I think--

CALVERT:

--Survive--the MQ9 Reaper, is it flown in areas where the--they can't survive?

MODLY:

Well, right now--

CALVERT:

--It can fly in all of Africa, it can fly pretty much in all of the Middle East, you can fly almost all of South America, at certainly it can fly anything, you know--

MODLY:

--Yes sir, I agree with that. I think as we look at, particularly as the Air Force looks at its modernization, I don't want to speak to it, but they're thinking about more in terms of great power competition and whether or not that platform actually would be survivable in non-permissive environment, so that's part of the reasons that some choices were made in that regard.

CALVERT:

So we're going to spend five times as much to--we're going to get rid of the MQ9 Reaper and we're going to fly ISR that can fly in denied airspace and areas that you don't have to worry about having a it shot down. Is that--is that the Air Force program for the Navy program?

MODLY:

That--that has a lot more to do with the--with the Air Force program in terms of how those decisions were made.

CALVERT:

Okay. Thank you, Mr. Chairman.

VISCLOSKY:

Mr. Kilmer.

KILMER:

Thank you, Mr. chair and thank you for being with us. As you know, my--my district is home to one of our four public--public shipyards and on the heels of the last question talking about the great power competition, obviously maintaining a strong naval presence is going to be all the more important in the years ahead. To mitigate some of the threats that we are seeing from China, from Russia in and their investments in their Navy, I think the Navy has acknowledged the importance of modernizing our shipyards and improving our public shipyards to make sure that they are equipped and able to maintain readiness of our fleet.

I know there is the SIOP, the Shipyard Infrastructure Optimization Plan. I know how important it is to have it stay on track. And Mr. Secretary, I was hoping you could just give us an update on the SIOP. Are you in fact on track and what's the total level of funding your dedicating to the SIOP in fiscal year 2021 and what will that accomplish?

MODLY:

I'll speak--thank you, sir. I'll speak broadly to the SIOP. It's a 20 year program to basically modernize our shipyards, our four main shipyards. It's \$20 billion plus over the 20 years and we are prioritizing projects in that process. I believe there are some projects that are happening in your district this year. We're putting a heavy emphasis on some of the work down Norfolk Naval shipyard as well looking at doing planning and in Pearl Harbor, so--and in Portsmouth. So there is work that's being done in all of these areas over the course of this year. In terms of the exact amount of dollar amount, I don't know if that CNO might know what that is exactly, but I think it's around \$1 billion that's going into that this year.

KILMER:

Thanks.

GILDAY:

Yes, sir. It's about 1.5 billion in MILCON and there's more than just MILCON, but we have three projects underway this year. We'll have another eight next year across--across the four shipyards and so at the same time that we are--we are replacing some of this equipment that the average age of those yards is 76 years old, and some of that equipment is that old, some of those dry docs are over 100 years old. So at the same time, we're creating digital twins to understand each of those yards, the layouts, and how we can best invest in new infrastructure.

We're also replacing things like cranes and dry docks and also some significant maintenance facilities. We're committed to it. The public yards, including Puget Sound are really the jewel and the crown of our deep maintenance facilities and we know that we are past due in terms of making these investments.

KILMER:

Thank you. And I appreciated that before we started you mentioned you might be coming out. We'd love to host you. Mr. Secretary, I'd love to invite you as well. Would love to have you. Mr. Womack came out last year and it's a real sight to behold and the men and women who work there are really doing a bang up job.

I also wanted to ask about the--that naval X tech bridge initiative, which was designed to create tech ecosystems around the nation by partnering the Navy with the private sector and with startup come new communities in academia and nonprofit organizations. A key port naval under sea warfare center in the district--in my district was selected as one of the first five tech bridge locations in the country. Just hoping for an update on how you feel like that program is going, what we're learning from that initiative, what sort of impact do you think it will have on innovation going forward in tech development across the Navy?

MODLY:

I think it's absolutely critical process for us to develop these closer ties with industry, particularly in the tech area because of their ability to innovate quicker than we are able to innovate so we need to learn from them, we need to partner with them, so this is a first sort of really, I think serious foray into that area. We're going to continue to do this.

We're going to monitor it. I think they are developing or they are experiencing some success with this, but the key is to really develop this at scale so we can have a almost a whole new ecosystem in terms of how we do innovation across the department of the Navy. I don't know if the CNO has anything more to add on that.

GILDAY:

Just to echo what that secretary said, one--when we first joined the Navy and the Marine Corps, the U.S. government did 90 percent of the R&D in this country and now its flipped. And so obviously the best ideas were coming from industry. The Congress has given us authority so that we can turn--we can lead it turn new capabilities faster.

So the stuff that we are applying, as an example, to our computer networks in terms of machine learning AI in terms of cyber defense have put us on a much better position because we don't have to wait five or six years to field or something. We can field it within six months. So yes, we are leveraging it, sir, and we'll continue to do so.

KILMER:

Thank you. Thank you, Chairman I yield back.

VISCLOSKY:

Thank you very much. Mr. Womack.

WOMACK:

Thank you, Mr. Chairman. And my thanks to the witnesses this morning. Mr. Secretary, Chief Gilday and the commandant, thank you for your service to our country. I--this first question I think I'm just going to ask for the record because I know it's got some sensitivity

to it, but I just--I want to make sure that I understand where we are above or below our requirement on Tomahawk's. I consider it to be an important piece of our arsenal and I'd like to--we don't have to get into detail here, but I sure would like--like an update. But I would like your comments on the importance of expanding our offense of the strike capability. So Admiral, I'll yield to you.

GILDAY:

Sir, thanks for your service as well. Sir, so Tomahawk is one of those, as I mentioned in my opening statement, one of those weapons systems that gives us range and speed that we need to not only close gaps, but maintain and establish over match against--against our peer competitors. So with respect to Tomahawk, we--we are investing in tactical Tomahawk, the block five, as you know, the maritime strike version and also the land attack version and the upgrades that come along with that.

To directly answer your question, we are not where we need to be. The block five comes to IOC in 20--2023, but we are making investments in those--in those weapons steadily. Those numbers are coming up.

WOMACK:

Quick question for the Commandant. In your written testimony, you talked about the Palm (PH) submission, which coincides with the inflection point for the Marine Corps. Yet looking at the budget, I don't really see a significant amount of change. So why isn't there more change if we are at that inflection point in PB 21?

BERGER:

Sir, last July, we started probably a seven-month effort to figure out what the Marine Corps--we would need in 2030 and we finished that effort in late December, early January. Not an excuse, but that's the reason why there aren't fundamental changes in this budget submission. There are the initial--what we could see already last July when we began the submission process for this, what you could already see was that if we're going to contribute

to the naval fight, back to your previous question, we're going to need some tools, some capabilities we don't have right now if we're going to contribute to see denial and see control.

Our long-range strike capability for the last 30, 40 years has been Harriers and Hornets and now F-35's. And then it was a drop back in to MRLS rockets. We need the ability to reach out and touch a threat, and adversaries naval force from ship or from shore if we're going to be part of the integrated naval force. So you'll--you see even in this budget submission beginning of round--the long range fires that we're going to need in that regard.

WOMACK:

Okay, thank you. You know, Mr. Chairman, on kind of a lighter note, I realize I got a--

WOMACK:

couple of Naval Academy graduates sitting over here on the panel, and having been elected chairman of the board at West Point a couple weeks ago, I just want for the record everybody to know that I'm glad that they have moved that secret weapon that they had out to the fleet now, this quarterback by the name of Malcolm Perry. These Army guys were running around out there last December trying to catch the wind, and he made us pay a dear price, so thank you for moving that guy on--on out. I think he was out of eligibility anyway. But congratulations on your victory. I yield back.

VISCLOSKY:

(OFF MIC)

KIRKPATRICK:

Thank you, Mr. Chairman, and thank you, Secretary and Admiral and Commandant. Thank you very much for being here and testifying today. So I represent Tucson. I think you have a Tomahawk manufacturing plant there. Very important piece of the economy to us. You

know, it's very important that our ships and their components are manufactured domestically. As I said in my district and throughout Arizona, there are many small businesses and companies that produce components for submarines and ships. However, they are vulnerable given the volatility of budgets and production lines. What are you going to do to help the domestic industrial--industrial base, maintain relevancy and continue research and testing to give the Navy cutting-edge capabilities? And my question is directed to you, Mr. Secretary, but I'd love to hear from the other people, as well, if you have something to contribute.

MODLY:

Thank you for the question, ma'am. I think it's a--it's a very, very important question because as we think about how we develop a force, and new force structure for the Navy and Marine Corps team, we are heavily dependent upon industry for us to be able to deliver that, and the industrial base that we have that supports building particularly, and all the components that get into it are--represent thousands and thousands of jobs across the country, not just in the areas where we actually build the ships. We have to make sure that that industry is healthy and that it can adapt and change as quickly as we see the threat environment changing.

So I've seen, just in the last couple years, lots of serious investment, particularly in our shipbuilding industry, to be able to be more adaptable, integrate new technologies more quickly. But we--it has to be a partnership with industry, particularly because when you see how our industrial base has shrunk so much over the past 20 or 30 years, we have to work with them a lot more collaboratively. And I think it's going to require some--a lot more--a lot less adversarial type of relationships and a lot more collaborative relationships to make that work. But it's part of our strategy. It has to be part of our strategy because if we're going to accelerate a path towards 355 or more ships, and a lot of those ships that we're talking about in our force structure don't even exist right now. They're ships, platforms that we're looking at that are both unmanned, manned, lightly manned. We have to have industry with us on that. So it's a high priority for us.

KIRKPATRICK:

Thank you. I think people are really surprised that Southern Arizona has this industrial base regarding ships. I mean, we're not exactly a coastal state. But it is a very, very important industry to us. So I just want to make sure that you're there and stay there, and I want you to know it's a top priority of mine. Commandant, Admiral, do you have anything to add?

GILDAY:

Simply that our--our success in many ways depends on successful defense industrial base. And so as I just mentioned in the response to Mr. Kilmer's question, one of the great things right now with respect to industry is that there are so many ideas and so many options, and a lot of that stuff's exciting. So years ago they used to be really dependent upon our requirements. Now, you know, a question that we ask is what have you thought of that we haven't, that we can use? And a lot of that stuff has a direct application from commercial to military with a few tweaks. So--and in terms of Tomahawk, you know, as I just mentioned to Representative Womack, we're very bullish on Tomahawk.

KIRKPATRICK:

So are we.

(LAUGHTER)

So thank you.

BERGER:

You mentioned predictable funding. I think that's one of the three points. Second, I think we have to do our job in terms of predictable programming. We can't jerk around every two or three years in a different direction. In other words, looking back through the lens of industry. They need both. They need a predictable view on our programming, what we need, what our requirements are, and predictable funding.

I got a lesson last spring, traveling to a shipyard on the length of the supply chain, which you allude to. And the short version of that, which I never would've understood unless they drew it on a whiteboard, was, you know, here at the big end we could absorb some fluctuations. Down on the little end, in some place, you know in Iowa or you pick the state, there are six people that produce a component of this. They can't stop work for six months. Those six people have got to have jobs. So I learned--understood--some people call it the fragility of the supply chain, but I was taken to school last spring and learned a lesson. That part's really important.

KIRKPATRICK:

I agree. Maintaining that expertise at that level is so important to the long-term success of the program. So I just want you to know we're very proud of the collaboration that you do with University of Arizona in Tucson. They're working on some cutting-edge technology that we think can help you, and we like to see that kind of collaboration. So again, thank you. I yield back.

VISCLOSKY:

(OFF MIC)

ROGERS:

Thank you, Mr. Chairman. The 2018 National Defense Strategy emphasizes the threats posed by, quote, great powers, and specifically highlights Russia and China, of course, as the greatest threats to our interest. China continues to modernize its military platforms and increase its number of deployable platforms of aircraft carriers, guided missile cruisers, combat support ships and fifth-generation stealth fighters. China has also started deploying military assets further from their coastlines. They recently deployed a surface action group about 250 miles from Guam and are also sending their submarines further afield.

China continues to maintain its maritime claims in the South China Sea as militarized disputed islands by deploying advanced military systems. China also uses fear, coercion,

economic pressure to advance their priorities in countries throughout the world. We, of course, have much greater capability at large than China, but our military might is spread across the world. Theirs is focused on the Indo-Asia-Pacific region. As China continues its economic and military ascendance, asserting power through an all of nation long-term strategy, it will continue to pursue a military modernization program that seeks Indo-Pacific regional hegemony in the near term and displacement of the U.S. to achieve global preeminence in the future.

My question, speak to us about the actions of China in the vein that I have mentioned, and what do you see for the future? Mr. Secretary.

MODLY:

Sir, thanks for the prelude to that because I think everything you said are things that I would--

ROGERS:

Could you speak up?

MODLY:

Sorry. Thank you for that prelude to that because I think everything you said is something that I would echo. It has profound implications for us and is an integrated naval force because of their aggressiveness in South China Sea and other parts of the world. It requires us to think differently about the type of force structure we're going to have to be able to counter those--those--those threats. I just read an article the other day where they--Chinese consider themselves a near Arctic power, as well, in addition to the South China Sea, and they are being very aggressive everywhere.

I will say that what it's doing for us is it's helping us rethink how we might want to build a naval force, what we need to invest in, what those ships might look like, what presence means, how do we counter them, and in an area where it's predominantly dominated by water as you look at the Pacific region. And so it's there, but it's also in other parts of the

world where they're very, very aggressive. So we have to think about not just building a force that can be--that can fight them there if we need to, or protect our forces or our trade in that area, but also globally. And so from my perspective, that means we have to build a much more agile navy, a navy that's far less concentrated on a small number of platforms to one that's more distributed. And that feeds in very much to the strategies that the Commandant and the CNO are working on.

ROGERS:

Seems like I recollect another time when a military power in the East decided to run the U.S. Navy out of the region. And we had a little war. Do you see any parallels?

MODLY:

Well sir, there's some parallels, but I think our job, really, is--in trying to build this Navy and as a nation, is to avoid that from happening. We want to deter that from happening. We want them to--we want to complicate their thinking about how difficult that might be for them to do.

But, we have to remain vigilant because they have a long term vision and we need to sort of match that long term vision with--with some--some very creative thinking, I believe, and persistence to maintain the industrial base that we have to have to--to be able to counter this and to be able to adapt as the conditions change over time.

ROGERS:

Admiral, General, do you care comment?

GILDAY:

Sir, when you spoke, I thought about two things. One is all the things you outlined, indicated that China has the capability now to challenge us and that capability is growing. And, you mentioned the South China Sea and I think about intent.

And, so when you think about cap--capability and intent--and right now, as you mentioned, they spend much of their behavior in the South China Sea is very provocative and very disruptive and a sea lane that handles some \$3 trillion worth of trade a year. So, very disruptive.

That's only growing with their One Belt One Road initiative as you see that extent across Asia and into--into Europe. And, so the U.S. Navy, the U.S. Marine Corp's global presence is very important to challenge them. And, so you see that on a day to day, week to week basis, where Admiral Davidson uses naval forces to conduct transits in the strait of Taiwan, major exercises.

The Navy and Marine Corp's biggest exercise, any generational in current, both the Pacific and the Atlantic in just a couple months, to send a message to China in particular that--that we do have cap--that we have capability and that we have intent to respond if--if challenged as well.

So, to the Secretary's points about the need for a larger Navy, for a more distributed Navy, I think that everything that you stated is testimony to--to that argument, sir.

ROGERS:

General?

BERGER:

I've spent about a third of my career in the Pacific and I still have a lot to learn about the Chinese. Their--their approach--I think there are parallels to draw, some lessons to learn, sir, but their approach is very different.

They would like to accomplish their goals without ever firing a shot. And, we need to understand that. In other words, their goals are everything that you laid out, but their approach is very different.

They'll--they'll buy or coerce their way right into the neighborhood, hence the--the importance of partners and allies in the U.S. military and our whole of government approach. We have got to--we have got to be the best partner out there, because the moment you leave a room, they'll be in that room, convincing a country that they're a better partner than the U.S. is.

Lastly, it probably goes without saying, but they have watched us. They have gone to school on us. They've learned from us. They are mimicking us. They formed geographic combatant commands, like us.

They're copying us, in other words, to catch up to us faster. That and--and stealing our technology, combine the two, they're moving pretty fast. We should not understate that.

ROGERS:

Thank you, gentlemen. I yield.

VISCLOSKY:

(OFF-MIC)

RUPPERSBERGER:

Thank you for your service. To begin with, I do want to acknowledge Ranking Member Calvert's issue on ISR. We have to stay focused on present and future there.

I realize budgeting is about priorities and that's what we have to do here too. So, I really think we have to keep our eye on the ball there.

I want to get into the--just this last week, the Navy released an education for sea power strategy and naval university system consists of five learning institutions, Naval War College, Marine Corps University, Naval Post Graduate School, United States Naval Academy, and the new United States Naval Community College.

The key focus to this system will be ensuring that each component fills a complementary role within the learning consortium and integrates fully with others in the system as appropriate and avoids, which is important, duplication of effort. Now, I'm Vice Chair of the Board of the Visitors of the U.S. Naval Academy and I really do acknowledge that guy was really good there, Mr. Womack.

Now, getting back to the institution, in my opinion, Naval Academy rivals any other in the country, including our Ivy League schools. With a Naval Academy--and I'm also Vice Chair of the Board there, so I focus a lot at the Naval Academy. With the Naval Academy shift in focus over the last few areas towards domains in the future, like cyber and that new building is really tremendous and it's going to make a big difference, I think, the cybersecurity building.

Can you talk about the role the Naval Academy plays now and the Naval University system, this new system, and how that might change under this new strategy that came out last week?

MODLY:

Sir, well thanks for the question. This is something that I've worked on very hard for the last two years in terms of the education for sea power study. We had a study that we launched a couple years ago to just really take a reflective look on our education system and what we were doing.

You've heard a lot today about how the technology gap is closing with our largest adversaries, and so our conclusion was that the one thing that's going to be our enduring competitive advantage is the intellectual ability of our people and their--their ability to be agile to move quickly.

The Naval Academy is the cornerstone of a lot of this. It's the entry point for a lot of our--of our military officers when they come into the naval service. And, so they've done a really good job over the years.

We need to be able to think about how they become part of a broader educational system, and that's what we're looking at, because there--there are a lot of--we get a lot of independent pockets of excellence across this--this system that were not well integrated, and so we were not taking advantage of that throughout the process.

So, I see--you know, one of the first steps we took is to fully fund all these institutions. Every year, they would come in, they'd submit their budgets, and they would be bill payers for other things. So, we've fully funded the Naval Academy, the War College, the Post Graduate School, the Marine Corps University, and we're standing up this Naval Community College as a way to leverage all the expertise that we have and give our students, particularly shipmen, an opportunity to perhaps leverage expertise at the War College or the Post Graduate School, work on graduate programs while they're still at the Naval Academy.

So, I see this as all positive and the level of investment is really not that large, given the size of the institution.--

RUPPERSBERGER:

--Not at all.--

MODLY:

--So, it's a tremendous investment for the future of the force, and so we're--we're going--we're getting after this very, very seriously.

RUPPERSBERGER:

Do we have anybody that's running (INAUDIBLE) Naval Academy? Oh, okay. The other thing I want to talk about, which is run the Naval Academy. There's been so much deferred maintenance there that they have real problems.

I visited Bancroft Hall maybe about four or five months ago and we need some real focus at work. The deferred maintenance has got to stop and I'm using this forum right now to say

we really need to look at that and I'd ask you that you meet with the new superintendent to make sure we start focusing.

Again, the new cyber building is fantastic, but we also have issues of the water, the flooding. You know, there's so many things that need to be looked at there. I'm not sure about West Point or Air Force, but I can tell you, the Naval Academy needs work in maintenance and infrastructure. So, if you could work with me and my staff on that, I really want to make sure we stay on that.

MODLY:

Yes, sir. Admiral Buck and I are classmates and so we've been talking about this since he got there. That's part of the reason--a lot of the funding that's coming in this year is to A, start looking at the broad long term infrastructure plan there, do some planning around that. Macdonough Hall, I'm sure you've been in there, they have serious problems--

RUPPERSBERGER:

--And, the water levels keep rising too--

MODLY:

--Yes, sir.--

RUPPERSBERGER:

--so, we've got to deal with that long term too. Okay, thank you. I yield back.

VISCLOSKY:

--(OFF MIC)--

MCCOLLUM:

Thank you, Mr. Chair. Gentlemen, everybody's been thanking you for your service, but we really mean it, so thank you once again.

I would like to ask about the Navy's ship building and the plan to grow the fleet, the 355 ships by the early 2030s. The Navy has yet to submit the FY21 30 year shipbuilding plan and it's reported that Secretary Esper has not signed off on the plan, asking the Navy to review it.

At the same time, the Navy submitted its FY21 budget request and proposes a \$4 billion reduction, the shipbuilding account from FY21, a reduction of two ships. Gentlemen, I have three questions and I'll just put them out there.

Why the steep reduction in the shipbuilding budget for FY21? And, when can we expect the Navy's shipbuilding plan? Are you concerned that the shipbuilding industrial base may be impacted by this reduction and what manufacturing areas will be most impacted?

And, additionally, there have been cost over runs. Admiral, you spoke to them at a submarine meeting I was at and delays on the number of ships and subs. So are you concerned that the industrial base does not have--currently have the capacity to handle the growing fleet of 500--excuse me, to 355 ships? And then in some of that, as you're talking about dry docking and climate change and everything else, you mentioned the public plan for the public shipbuilding facilities, but we also have private facilities that are undergoing the same stress. So those are my questions, gentlemen. Thank you.

MODLY:

I'll start, ma'am, if that's okay and just give you some of my thoughts on this. With respect to that shipbuilding plan, it's an unfortunate confluence of timing. As the Commandant mentioned, he and that CNO sat down around the September--September timeframe to look at and integrated naval force structure assessment that would then inform our shipbuilding plans going forward. All the shipbuilding plans for the last four years have been based on a 2016 assessment that 355 was the tagline for that intern in terms of the total number of ships. We asked them to relook at that, to look at it together, given the changes in the defense strategy, the strategic context, and they are at--working that over time.

That was delivered to me in the latter part of January. Our budget submission for T-1 was basically already completed. We were going to release 30 year shipbuilding plan that coincides with the '21 budget that would have been informed by some of this new information but not entirely all this new information and the Secretary of Defense was just not comfortable at that point in time having not had a chance to review it all, so he's asked us to take a couple--more--a little more time to walk it through with him and the deputy secretary so he understands it better. So that's where we are with that.

We will get a 30 year shipbuilding plan over here within the next couple of months I would say. That's the plan at any rate. The integrated force structure assessment that--that I see a lot of questions, but the Secretary of Defense is--this is his call and he's told us that he wants a couple of months to look at that first. So that's--that's what we are moving out on to inform him so he understands it better.

With respect to what this new shipbuilding plan might look like--what this might look like and what the information will be in there, as part of the--this new force structure assessment, there are several categories of ships that did not exist or were not contemplated in the 2016 assessment. A new amphib, a new smaller amphib to support what they commandant is talking about, new combat support vessels as well. Unmanned systems, the new forget, all of these are new ships that don't exist right now. We're going to award the frigate this year, but those will then inform future plans.

So we really see as we talk about this inflection point in the shipbuilding plan and the strategy, you're going to see that much more in the FY 22 and we want to develop that in consultation with the Congress as well. We understand this is not something we just do inside the halls of the Pentagon as well as with industry. So I--do I have concerns about industry's ability to deliver? Not really. I think they can deliver based on the plan we have right now.

I think there are some concerns about how this year the FY 21 budget might impact them, but I think over the long term the plan that we're going to submit will create a lot of opportunities for shipbuilding and the industrial base beyond our existing set of competitors

in that space because what we're asking for is a lot more innovation, different platforms, et cetera. And I can ask that CNO or the Commandant to comment on that as well, but that's-- that's where we are with the shipbuilding plan.

GILDAY:

Ma'am, to give you a--some insights on what we did with the \$5 billion that we removed from procurements since last year, and this submission reflects that cut, which--which ends up being fewer ships in terms of procurement, so that 5 billion, as I spoke to in my opening statement, we really want to make sure that we have a ready, capable, lethal fleet rather than a bigger fleet that's less ready, less lethal, less capable. And so in that 3 billion, I mean, that 5 billion, 3.5 billion goes to manpower and training.

So for years, we've had gaps for sailors, bullets at sea that have gone unfilled. We need to make those ships whole again and keep them fully manned. And we learn lessons from that over the past few years in ways that were very, very painful. The same thing with maintenance and modernization. We have taken 2 billion of that five and putting it put it in maintenance and modernization.

So we--we deferred maintenance for a long time between 2010 and 2020 and we are now catching up, including modernizing our ships as well. We are--we are fully funding training, our steaming days for ships, our flying hours for our pilots. We are--were funding ordinance, as we talked about this morning in terms of Tomahawk and other long-range weapons and spare parts as well. So we're trying to make sure that our fleet is whole and, you know, if we--if we had more topline and we had--we would put it to additional ships.

MCCOLLUM:

Well, why didn't you--I mean, your cut--you're cutting two ships. I understand that you're putting the money to good use, but why--why didn't you just ask for the training money and the money that you just described that you--that you technically reprogrammed?

GILDAY:

So--so they were difficult decisions that we had to come to grips with. We continue to underfund those critical accounts, if I go back to sailors are the most important things, and so we should be putting them on ships that are maintained well, that are--right--

MCCOLLUM:

--I don't--I don't disagree with you--

GILDAY:

--I don't mean to evade your question. Maybe I don't understand it.

MCCOLLUM:

No, and I don't think you are, but by--by doing a reduction this way rather than building it into the base that you ask is for, then we are not having the conversation that--that the money needs to be appropriated in those accounts in order for you to continue your goals because these aren't one-time things are talking about doing, correct?

GILDAY:

Correct. That's correct. And so to amplify what that secretary said, as the Navy grows, you want to make sure it's whole as well. And some of the pressure pressurization that we have right now in the shipbuilding account includes the fact that 20 percent of our shipbuilding account right now is dedicated to the Columbia seaborne nuclear deterrent and that will--and that will creep to more than 30 percent of our shipbuilding budget and 20--in FY 26 to 30.

The fact that we are investing in our shipyards, the fact that we are closing these gaps with respect to ordinance and spare parts that we can no longer ignore. And so--so that's the additional pressures, ma'am, that we have in the top line that were operating under.

CALVERT:

If the gentlelady would yield on that point--

MCCOLLUM:

--Yes--

CALVERT:

--Because I think you're bringing up an extremely important issue here because this budget doesn't sustain the 2016 force structure assessment goal of 355 ships by 2030, let alone a plan that calls for more ships. So, you know, I think we're dangerously--we're down a path they we're never going to meet the goals that you are--you been outlining from my perspective. And so I just wanted to bring that point up.

MCCOLLUM:

Thank you I--with Mr. Kilmer question about, you know, our ship facilities with--with climate change and sea level rise, however you want to describe it, the same thing is going on in the private yards and I had asked a question earlier a couple months ago and I know our staffs are talking, but do you have any more information you want to enlighten on what the conversation that's going on with the--with the private ship yards because this is going to be substantial for them and they didn't cause the climate change. So that becomes a very important factor in how we're going to be able to keep all that shipbuilding on time.

GILDAY:

Ma'am, we'll--I'll have to get back to you on any type of conversations were having with private shipyards on their infrastructure with respect to the effects of rising, you know, rising oceans with respect to, though, the point about--the point about ships or ship numbers, you're absolutely right. Even the top line right now, we don't think that we can afford a Navy greater than 305 to 310 ships. And so the FY 21 budget takes us to 306. So that's where we think we can afford given all the other pressures that I mentioned a few moments ago.

CRIST:

Thank you, Mr. Chairman. Thank all of you for being here. Appreciate your presence and your service to our country. Admiral Gilday, if I could begin with you, in January of 2019, the Department of Defense completed their report on the impacts of climate change on the military installations. The report found that 18 Navy installations are at risk, 16 of which are currently at risk of flooding. This report did not look at foreign installations, so you would have to imagine that if the actual worldwide number is higher than 16, can you talk about the problem of rising sea levels that are causing the Navy and what you're doing to address climate change in general, please, sir?

GILDAY:

Yes, sir. It is a significant concern obviously because we own so much waterfront property.

CRIST:

Right.

GILDAY:

And so what we are doing with the--with the military construction projects that we have at our bases and we have to take into account at least two to three foot buffer above the--above the current level in order to accommodate--

GILDAY:

You know, that rising--that rising tide, which is measured--the thickness is about a nickel a year, anywhere from a nickel to three nickels a year in terms--in terms of the rise of that water. So as we are slowly investing in more infrastructure and getting our bases up to par, we are taking--I will tell you that we are taking that into account as part of our long time--long-term strategic plan.

CRIST:

Yes, sir.

GILDAY:

But it is--it is factored into our MILCON projects.

CRIST:

Well, thank you. My second and last question may seem on the lighter side. It is, but it really isn't. I saw a movie recently, a new one, called Midway, and I don't know if any of the three of you have seen it yet. Have you? Mr. Secretary, you saw it. The reason I raise it--it impacted me. I've seen it now twice in like a week and found it so compelling. And the admiration you have after you--you saw it, so you know what I'm talking about--my--my only question is, and it seemed very factual to me, especially at the end with the documentation of with each of the individuals who were highlighted in the film, with their credentialing. And to your knowledge--you're the Secretary of the Navy--is it factual from what you know, please?

MODLY:

I believe the film, that they--we worked with them on the development of that film--

CRIST:

You did?

MODLY:

--in terms of--yes. So most of those were historical, historically-based facts. In fact, we were invited to the premier of that here at the--at the--

CRIST:

Did you go?

MODLY:

Yes, I did.

CRIST:

Was that here?

MODLY:

It was here. It was at the Navy Memorial.

CRIST:

That's wonderful. Where are you from, sir?

MODLY:

I grew up in Cleveland, Ohio.

CRIST:

Are you a Browns fan?

MODLY:

Yes, I'm afflicted with that.

CRIST:

Say again. I'm sorry.

MODLY:

I'm afflicted with that.

(LAUGHTER)

But it's a--it's a good affliction to have.

CRIST:

(INAUDIBLE) don't worry about it. I'm a Tampa Bay Bucs fan. They'll get better, too. Thank you, Chairman. Thank you, sir. Bless you.

VISCLOSKY:

(OFF MIC)

AGUILAR:

Thank you, Mr. Chairman. I don't know how to follow up the Brown's questions. I'm going to give it a shot. Mr. Secretary, the lead Columbia class sub has a very lean schedule to deliver the fleet simultaneously with decommissioning of the first Ohio class submarine. What's the Navy and the industry doing to de-risk the programs and to ensure a timely delivery?

MODLY:

Sir, thanks for the question. I'll hit some of the highlights of that, and I'll ask Admiral Gilday to maybe add some more specific color to that. This--you are correct; the schedule for this is very tight right now. We don't have a lot of margin left in the schedule, and that's one of the reasons why it's our top priorities in terms of our funding. We had to make sure that that submarine was funded and they were putting enough attention to it over time.

But there are lots of--this sort of goes back to the question about the industrial base. Decisions that are made in the industrial base, for example, the decision last year to buy the two carriers at once, that has implications for the industrial supply base that also supports the Columbia because a lot of the same companies have to be around and viable to deliver the Columbia. That's because our--it's a very, very specialized set of equipment. The nuclear reactors, some of the other technologies that go in them, are shared across this industrial base for these specific types of submarines.

So when we make decisions, when we make budget decisions, we have to understand the second and third order effects, and that's one of the reasons why it's really important, particularly on these large capital projects, that we really think hard about them before we

make decisions that could cause perturbations in the supply chain, etc., going forward. And--but we're spending a lot of time to ensure that the schedule for the Columbia is tracking properly, and we can't afford to have a slip up there at all.

GILDAY:

Sir, thank you. And if I could just add a couple things to underscore what the secretary said, so it's the Navy's number one acquisition program because of the schedule that you mentioned. Number two, we're fully funding the first hull. We're at--when we begin construction of that hull this fall, 83 percent of the design will be complete. And so that may just--that may not seem impressive, but if I compare it to Virginia class submarines we're building now, only 43 percent of the design was done when we began those submarines. If I go back to the '80s when we built Ohio, the previous nuclear deterrent, 2 percent of the design was done when we began building. So we are working very closely with Electric Boat and Huntington Ingalls to ensure that we're setting ourselves up for success here from the beginning.

So the ability to be 83 percent done with design gives us the ability to better predict, you know, the parts that we're going to need, the steel that we're going to need, and they do that work both in Quonset Point, Rhode Island and also down in Newport News, Virginia, and then finally up at Electric Boat. I was up at Electric Boat the week before last, and they are building a facility at Electric Boat so that they can build a Columbia class submarine inside one building. So instead of moving pieces around a shipyard and doing work in different areas, everything is done right in that one building. It's going to be really impressive.

And lastly, based on everything else I said, just the predictability for those companies to be able to keep cited on what workforce requirements they're going to have over the next 10 years is really important. So that's another reason why we have to be, as you said, really focused on the schedule.

AGUILAR:

Admiral, are there production delays on certain components that are impacting the schedule?

GILDAY:

Not that I'm aware--not that I'm aware of, sir. But I'll get back to you. I'll get ask that question and get back to you.

AGUILAR:

Okay. Missile-2 (PH) production or anything like that, Mr. Secretary?

GILDAY:

So we--so we just delivered a Missile-2 to the UK, and my understanding is we had some initial issues, but we're in a good spot right now. That EB is in a--Electric Boat's in a good spot.

AGUILAR:

Okay. Mr. Secretary, same?

MODLY:

There was a welding problem with some of the initial tubes that were manufactured, but they've corrected those.

AGUILAR:

Appreciate it. Just one more. Mr. Secretary, the entire department has--has rightly focused on resources for emerging technologies. One of the line items that--that caught our attention was the conventional prompt strike, which has grown from \$11 million in fiscal '19 to \$1 billion in this year's budget request. Usually this is the point in the hearing at which Mr. Ruppersberger asks questions about hypersonics. But can you explain to the committee how this increase for the CPS program is justified over this short period of time,

but also specifically how you're working with the other services for this and making sure that--that--that there aren't duplication of efforts?

MODLY:

Yes, thank you for the question. The conventional prompt strike is one of our most important programs right now for the future. We're behind our major adversaries in hypersonic weapons right now, and we believe that that funding number is acceptable. There--there--several people were trying to push us to take more than that, but I think we're trying to do that in a very reasonable and measured way, and we're doing exactly what you said; is we're trying not to duplicate efforts between the services. So actually about two years ago Secretary McCarthy and I signed an agreement where the Army, Navy, and as well as the Air Force will work together on this. So we--it's not a joint program office, but it's a cooperating program office. And so that's been going exceedingly well. And so we're very excited about that program. And they're making great progress and actually would love--if you're interested, we could come give you a classified briefing on that, if you're interested, in terms of how that program is progressing.

AGUILAR:

That would be great. Thank you. Appreciate it. Thank you, Mr. Chairman.

VISCLOSKY:

Thank you very much. The first question I have deals with quality of life, and I assume, Mr. Secretary, would be directed to you. Ms. McCollum, Mr. Calvert and I were recently in Key West for a number of meetings, and one of the things when we asked about quality of life housing came up, and there is a backlog of requests. Key West, very expensive place. Our understanding in conversations there is a height limitation, so there's no growth. Everybody rents their place out for Airbnb, and we're going back to the airport. And there is this large swath of land that is vacant. And someone pointed out to us that the United States Navy used to own it. But in 2013 they sold it. Now that was seven years ago, but my sense was

housing values and backlog for military housing was probably acute seven years ago in Key West.

One, who makes a decision to dispose of property like that when you've got a backlog for people who are working in the military who need housing that is affordable? And if we asked a question and went around to other bases and facilities the Navy have, are we going to get the same response, well yeah, we sold that, and now we have a backlog on possible areas for housing? Who makes--

MODLY:

Sir, that--I don't know who made that specific decision. Those are decisions that would make their way up through the Secretary. I assume it happened several years ago before I was here. We talked about this when I was in your office, and I'm investigating that. And I'm actually going down to Key West in about a week or so to--to talk to them about what the situation is. My understanding was that that was an area that had housing on it that had to be condemned because for a variety of different reasons, and so then they decided to--I'm not sure if they sold it. I need to find out the true facts on that, and I'll get back to you on it.

VISCLOSKY:

The reason I bring it up is not so much to relive the past. You can't get the property back. I mean, you could, but you're going to pay a lot more money for it. My understanding is there was property disposed of also near the Navy Yard some years ago, and we all realize what Southeast Washington looked like along the waterfront, and now you would have to repay a gazillion dollars to get that property back for the United States Navy.

So looking forward, I guess my point would be I hope that never happens again, and I'm not the most prescient person, but for some of these disposals where there's backlog in housing and you're in expensive housing markets, I would appreciate you getting back to the committee as who's making these decisions, and what are the safeguards in place

VISCLOSKY:

so that greater care is made in April of this year, the next time that decision has to be made. We can't relive the past. But, it seems like there is sequentially bad decisions being made on properties that could be used effectively to control costs for military families.

MODLY:

I don't disagree with you, sir, and I'll look into that. My assumption is it's either the Assistant Secretary for installations and environment who has the authority to do that, but I'm pretty certain it would go all the way to the Secretary for approve--Secretary of the Navy for approval on property.--

VISCLOSKY:

--If you could--again, look into all this so it doesn't happen again--

MODLY:

--Yes, sir.--

VISCLOSKY:

--That's all we're looking for.

MODLY:

Yes, sir.

VISCLOSKY:

The second thing quality of life--and again, I do want to thank the Navy. When I became Chair--and I've been on this subcommittee since 1993. Our Executive Assistant said I was the seventh Chair. I'm under no illusions that we come and go.

My goal last year was trying to fix one thing out of that \$700 billion budget at the Department of Defense for quality of life, and it was childcare. I appreciate the Navy heard

the message. The fact is, my understanding is the waitlist is currently 3,700, which is unacceptable, but much better than 7,700 when we had this conversation a year ago.

I also appreciate that you have increased your request--now, money is not everything, but money is part of this issue--your request for the year going forward. I guess and again, in a positive light, for the other services, if there's lessons to be learned, what happened and how did you approach that? What do you attribute that success in reduction in the waitlist for daycare?

MODLY:

Well, I think about a year or so ago, or maybe--right now, I think we're about 9,000. The demand is--we have 45,000 daycare slots across the Navy and we--that's about 9,000 short of what we need. So, we're adding--in this budget, I think we're adding another 5,000 to try and close that gap.

I'm not sure what we did other than apply the resources to it and taking--taking it seriously. So, I'm not sure what other lessons--I don't think it's a complicated lesson in terms of what can be imparted to the other services. But, I don't know their specific situations. I don't know if Mike has any--

GILDAY:

Thanks, sir. If I could just add a couple. One of the things we're doing in lieu of seeking additional MILCON is we are doing pilot projects right now with some locations, and I'll give you a couple of examples.

In Coronado, California, they have an elementary school that's excess capacity and they don't need. So, we're going to lease that space and turn it into a childcare facility.

We're also working, in some places, with industry with large companies where they would actually build a facility and then we would lease some of the space back. As you know, we have a lot--many spouses that work in our childcare facilities, and so that's a plus as well and

we try to pay them above what industry typically pays. Not a lot, but we're above--we're above the national average.

And, so we would hopefully find more job opportunities for our spouses as well in--in those facilities. But, we like to come back to the committee and give a report on how those pilot projects work and whether or not we're able to look at additional opportunities based on that.

VISCLOSKY:

And, I appreciate, again, positively that you mentioned the pay issue. Again, visiting facility, one of the observations of ours was that the pay for daycare workers was the same as a cashier.

Now, let me tell you, I'm from Gary. I want the cashier to make more money. But, also, you have somebody dealing with a person's child, a human being. We ought to pay them what we want for that quality daycare.

And, we're told, "Well, we're limited on what we can pay." And, we have asked several different services and individuals, "Is there--where is the law or the regulation that says I can't?" And, in one case, they said, "Well, it kind of depends on what we're getting from the commissary too, like we're having a bake sale here."

So, I appreciate, again positively, you said, "No, we know we have to pay more," because I'm deadly serious, I think one of the greatest recruiting--let alone how you treat people, civilian and mil--you couldn't find any place in this country with better daycare for your children. That's what we ought to--ought to subscribe to. So, I appreciate you're at least implicit, there's not a pay issue here if we're determined to hire people and pay them what they deserve.

GILDAY:

Yes, sir, and our turnover rate of people is about 10 percent lower than industry. So, we're--we're turning over at about 25 percent a year. The industry is at about 38 percent, and so

we're trying to remain--we're trying to remain competitive.

The other thing we've done for our spouses is as we've instituted a program where if they need to get a new license when they move to a different state, we'll pay for that. And, now we have a MyNavyFamily app and they can do that on the--they can--they can set up childcare on the app. They can set up their housing on the app. They can read orders that spouses understand on--on--on that app as well. And, so we're trying to--we're trying to make it easier for people.

VISCLOSKY:

Good, good. General, if I could have the same conversation with you and it's just not going to be as happy. My understanding is that the waitlist for the United States Marines in fiscal year '19 was 783 and the estimated waitlist for '21--I know it's an estimate--is 783.

I would also point out that we plused up the Marine Corps budget about \$18 million last year for daycare. The fact is, in your budget, you asked for almost a \$2.6 million cut from '19 levels and a significant cut for the investment we made to take care of childcare.

Could you explain that budget submission to us?

BERGER:

Sir, I called down this morning to Camp Lejeune to find out--today, to answer your point, how--what is the picture today? Because we've been stationed on both coasts multiple times and we have kids.

The waitlist down there is 30 days. Needs to be better, but 30 days, okay. Longer for DOD employees than it is for uniformed service members. But, for uniformed service members, 30 days.

So, the next question I asked was, okay where's the choke point? Where's the biggest bulge? And, it is age two to three/four years. That's where the biggest bubble is.

What's the challenges (INAUDIBLE)? And, as the CNO said, licensure comes up pretty quickly, reciprocity between states, which this committee and the department is working hard to bang out with the governors, because that's--when our spouses move and they are part of the labor pool, if they get--if it takes them three months to get relicensed in another state, that's a problem.

We have made big adjustments in flexibility of hours. That's made a huge impact, because it was rigid before. You know, six to six, and that's it. But, units don't operate, of course, six to six.

So, you have to be base to base, installation to installation. You've got to be a lot more--a lot more flexible than they have been.

Lastly, the--the whole department of the Navy has gone online with applying for childcare, which you couldn't--you had to show up in person before with your application when you got to the base and then join a waitlist. Now, you can do it before you ever move. You can apply and be accepted even before you leave your previous duty station.

Changes that have to happen, if we're going to be providing--like you--like you point out--and we need to, the world--the world class childcare that we should be providing.

VISCLOSKY:

Well, you pointed at another issue we have to deal with. That is essentially people work shiftwork and again, we're all very familiar with that concept. But, you didn't really answer my question. How are you going to do that backlog if you're asking for less money than you had two years ago?

BERGER:

Part of the money is labor and part of the money, of course, is MILCON and the infrastructure around it. We think, right now, if--and we'll need to check the rest of the, you know, places around the globe, but a 30 day wait and a 700 person backlog, what is--what does it cost to drive that down even further?

And, that, I'd be happy to get back with you. I can't answer that today.

VISCLOSKY:

We want to work with you and we're going to be putting the bill together here in about the next 30 days, we're going to start. And, you just have to--and I just want to solve this problem and we're never going to have a zero waitlist. But, I--I've told other people, when my 33 year old son was born, I'm a member of Congress, his mom at the time was a Harvard law grad. It took us nine months to find daycare.

We had control of everything in our life. If I'm a newly enlisted personnel and I'm moving my family, I'm desperate for daycare, I'm going to be deployed, I can't even imagine the stress on that family. So, I just, I'm absolutely deadly serious about solving this and want to work with you, but again, in the next 30 days, really, if you can communicate with us, we've got--whoever is sitting here next year, I don't want 783 people on that list.

BERGER:

Yes, sir.

VISCLOSKY:

Mr. Ryan. Yeah, I'm looking to my left, my left and my right.

(LAUGHTER)

One of them.

RYAN:

Thank you, Mr. Chairman. Secretary Modly, thank you for being here, fellow Ohioan, and I heard through the grapevine, a fellow Cleveland Browns fan. We can do joint therapy together, but we're excited about this year.

Thank you for being here. Thank you for your service. I've got kind of a long question that I--that I want to ask, but I think it's relatively important because it speaks to kind of a broader

approach that--that I think we need to have.

In your testimony, you mentioned live virtual constructive training and the Navy has identified extensive shortfalls in current air combat, not with the ships, but with the air combat training requirements, highlighting the urgent need for both encryption and advanced live virtual constructive capability in Navy--naval aviation air combat training. And, my staff and I have heard from aviators applying fourth and especially fifth generation fighters who say the current training ranges are woefully inadequate to put these planes and these aviators through the paces. If we want aviators to train as they fight we need to train them against the full range of threats including against peer adversaries who are fielding state of the art air defense systems and planes that approach our own in terms of performance and since our adversaries are not likely to lend us dozens of actual S 400 missile defense systems or provide us with foreign pilots flying foreign planes the next best thing is to simulate those entities and in an era of distributed all domain operations utilizing synthetic training environments it is absolutely crucial which I know you agree with.

Unfortunately my understanding is that the Navy is proceeding during a path that would invest nearly \$1 billion to purchase a new training system for Navy fighters that does not have a requirement for LVC(SP) capabilities and could not handle adding those capabilities later without another \$1 billion later on to add new hardware and instead of leaping ahead it looks like the Navy--Navy is doubling down at great expense on technologies that won't provide the LVC capabilities Navy aviators and even Navy leaders claim that they need and even worse I understand the Navy's next training system may not be fully fielded until 2050. That is a hell of a long time to be investing in yesterday's technology.

So here is the kicker, the Air Force and the Navy have already flown and tested a system known as Slate, the secure LVC error training environment that has full live the virtual constructive capabilities right now today and it is that technology readiness level VII compared to the system the Navy is investing in which is only a TRL 3. The reason slate is further along is because the subcommittee at my urging after hearing from pilots and aviators provided funding for slate several years in a row and it has paid off. Slate exceeded

expectations when it was tested on Air Force F-15E's(SP) and Naval F-18's in training exercises at Nellis.

Here is one of the lead researcher was quoted in the process saying after the test was conducted. He said we are not supposed to say that it was a very successful technology demonstration, that is supposed to come from our senior leaders but it was a very successful technology demonstration. It was beyond our wildest hopes and when Naval air system command completed a technology review board in May 2019 the slate program was named as the most mature, lowest risk approach to delivering advanced LVC capability to the fleet. And so I want to ask you why is the Navy not investing into slate and why is the subcommittee being asked to fund a program known as tactical combat training system increment two that doesn't give naval aviators the full capability they need and won't be fully fielded until 2015?

MODLY:

Sir, so thanks for that information and most of those details I am going to have to go back and check on because I don't know the details of the program. However from a high level what you are describing in terms of what that capability is exactly what we need. So I will have to go do some investigating and get back to you in terms of what exactly happened with those two technologies and what we are doing but this is absolutely critical to the future and the way we are going to train our pilot so I am--it concerns me that we made an option for something that is not going to do that but I will have to go investigate and find out for you.

RYAN:

Yeah, I appreciate it. Like the Chairman said I mean we only have a few weeks as we are moving forward here to construct this bill and there is a lot of competing interests and you know we--we know what the National Defense Strategy is--is kind of told us the major (INAUDIBLE) which I think is an amazing document and a great blueprint and everyone who had their fingerprints on it should be commended. But these are the kind of things that drive us crazy you know when you are thinking \$1 billion is that going to get us where we

need to go or where we need to be and we have the opportunity and the technology that seems like it is in place and ready to be scaled up and you know that--that is what the taxpayer want--wants from us and you know I know you are a good Ohio kid so you're going to understand this and--and I appreciate your service and I want to say thank you but please your team behind you, you know--you know how--how important our staffs are to us please let us know in the coming days how we can maybe rectify this problem.

UNKNOWN:

Yeah, I share the gentleman's concern on that very subject so (INAUDIBLE).

RYAN:

I appreciate that. See? They say people don't get along in Washington DC and we do, don't we?

CALVERT:

Thank you. One thing that concerns me as we go through this and obviously I don't think there is any disagreement that we have that we need more ships, we need more platforms but and you know we are going to have this argument whether--how we are going to get there we have got to grow the top line. Well, you know I--unfortunately, as appropriators we have to deal with reality. You know we have this defense discretionary spending is shrinking, not expanding and the same thing with nondefense discretionary spending. And so as we go down the appropriation line we have to make some realistic decisions here and I--you know because where we are at we are not--where--where we are going here what this discussion is about is we are not going to a 355 ship Navy. So--so we've got to look but we need more platforms, we need more ships so maybe we have to start looking at the mix of ships we have some serious discussions. I am sure one of your colleagues in the Army told me well, you know when you start making fifty-year decisions on aircraft carriers what is the survivability of an aircraft carrier?

I am sure you don't want to hear that from the Navy's perspective but those are questions we have to ask because as you know \$13 billion for an aircraft carrier buys a lot of ships and you are talking about when the Marine Corps for instances talking about smaller carriers may be multiple use being able to use those as amphibious carriers, small carriers another kind of mix of ships to get more platforms out there, something we need to talk about because I am--you know I have had a number of discussions about these various subjects but in a different setting but I am concerned about that because we - make we need more--we need more platforms and I don't see a path forward here from what you are laying out in your budget. I just don't see it. Tell me I'm wrong.

MODLY:

Well, sir, you don't--you don't see it in the 21 budget. I will admit that.

CALVERT:

Will I ever see it? Will I ever see it?

MODLY:

Well, that's my job is to present a plan that can get us they are within a reasonable timeframe and that is what I am working on right now with the Secretary of defense to come up with that plan. As you mentioned driving to a 355 ship fleet or more which I believe it's got to be more is going to require a different--a different mix than we had in the 2016 force structure assessment. Whatever that number is it is a 30% to 40% bigger fleet than we had three or four years ago. There is no realistic way that you can assume we are going to have a 30% or 40% higher top line to maintain that fleet. It is just not realistic.

So how do we bring it in? How do we bring that number down? How do we change the mix? How do we take the average cost of our ship and take it down? It is less--it is less important about what the--what the number is than it is what the capabilities are that that mix delivers at the end of the day and that is what we are working on. I think that--

CALVERT:

I--I would caution the numbers do matter. Now--now you have force multiplication obviously with our allies but the Japanese or the Australians or whatever but--but that delivers more platforms but at the end of the day numbers matter I mean that is--that South China Sea is a lot of territory. I have been--that is--so we--we need--

MODLY:

Well, I agree with that I am just my point is that the debate right now within the halls of the Pentagon is not a debate between having 200 or 350, it is more like is it 355 or 380 or 355 or 370 and 390? That--so that number--

CALVERT:

So how do you get there? How do you get there with the top line you've got?

MODLY:

So one of the things you have to do is you have to drive down the average cost per ship in that new--in that new mix. The \$13 billion carrier hopefully that is the last \$13 billion carrier we buy. Does that mean that the next four class is going to be--it is going to come in less than 13 because we are learning a lot on the first one and they are going to be cheaper as we go--as we go forward on those. Right now we have four in the budget or we have for that are under contract. We have now a window of time, 6 to 7 years to think about what that next carrier is after that.

CALVERT:

Don't get me wrong, I love aircraft carriers. I would like to see us--you know (INAUDIBLE) but at the same time one, we have to defend them and if we are going to build them we have to have the money to build them with and now I am going to get to the--the second part of this thing is if we are going to find the money to build the ships including the aircraft carriers we need reform within the Pentagon and I keep harping on this subject, you guys all

CALVERT:

-know that I'm harping about is that you have the highest number of civilian employees in the history of the Pentagon relative to uniform enforces. If you get back to the historic ratios of the Pentagon, according to the business Council, you save \$125 billion over five years. That would pay or pay for the aircraft carriers, that would pay for your 355 ship Navy plus, and we would--we would be on our way. So--plus, it takes care of our procurement issues with the Air Force and Army and other--we need reforms within the operations, within the Pentagon.

I mentioned this to the secretary, the assistant secretary and--but because in my perspective under the--the real budget reality that we are dealing with, you're not going to see growing defense budgets like I think some people believe is going to happen. I just--I just--realistically, I just don't see it. So we--we got to get realistic about operating--finding dollars within that operation we can put into procurement more efficient operations. So with that, Mr. Chairman, thank you.

KAPTUR:

Thank you, Mr. Chairman, and I apologize for being late. I had my own hearings this morning. We thank you very much for your service to our country. I wanted to ask two questions. One deals with those under your command.

What can be done to help ensure better access to mental health care and maintaining a continuum of care for those in the Navy and those transitioning out of military? We understand that, at least the information I have indicates that recent reports show that military treatment facilities will eventually only serve as active duty service members causing an increase in the use of civilian and VA medical facilities and resources and will place an even heavier reliance on the Department of Veterans Affairs in this arena where we are so short of individuals who could perform these services both as doctors and as advanced practice nurses. I think the Navy may have a special responsibility in this arena and I'm just wondering if you could explain to me what are you doing to help us better

diagnose and treat individuals who do present with neurological conditions, not just PTSD but other related conditions?

MODLY:

Well thanks very much for the question, ma'am. It's a very important question for us as we are finding that not just PTSD but all kinds of other mental health issues that are our sailors and Marines are experiencing as well as their families. I have one of my jobs is to sign condolence letters to families of sailors and Marines who lost their lives and I'm finding that as I'm signing these, 70 percent of them are suicide, a result of suicide.

It's become a real problem. A significantly higher rate now than five years ago. I think last year we had 72 suicides of active duty members and 5 years prior that we were at 42. This is a significant problem for us. We're putting a lot of resources behind it, a lot of attention to it. We are putting mental health professionals on our carriers in some of our larger ships that make sure that sailors have--sailors and Marines have access to that but it's a long-term struggle for us to get after this and it's not something that's isolated to the military. It's a societal problem.

We are finding that our statistics are echoing what we are seeing in society. For our demographic, we're actually lower than some of the societal rates on suicide. So we are putting significant resource behind this. We are doing a lot of work with our--with our--not just with our mental health professionals, but also with our own people about teaching them how to reach out, having more interpersonal reactions, being able to flag and understand when their shipmates are having struggles and to get them to help. And it is a long-term thing and it's something that were going to be working on for a very long time.

KAPTUR:

Well, I'll tell you I think one of the ways we could help is by training of additional support personnel to work in this area, including doctors and advanced practice nurses. I would appreciate your getting back to me for the record on the best ways we might work with you to do that.

I was extremely impressed with the Intrepid Center up at Walter Reed. That is the beginning of a coherent societal response. I was very impressed when we were down with special forces and looking at how behavioral specialists had been embedded in units. But in order to do that, you have to have the training. And I can guarantee you when these individuals come home, the ability of our veteran system to respond is not as crisp as it should be. There simply are not the people out there with the proper training.

So I'm looking for a proposal that would help us provide the funds to train. I don't quite know how to do that. I talked to the heads of all the service academies when they came before us a couple of years ago and they didn't view their job as training doctors. So I'm thinking well then whose job is it? How do we--how do we do this working with Department of Defense and the veterans department? So I would really welcome your comments.

I met the admiral of the fifth fleet myself when we were down in Tampa if you years later, he was dead. And I just feel especially compelled to push you a little bit and ask you to respond to the record on that. All creative ideas welcome. Can you do that, Mr. Secretary?

My second question is completely different, and that regards the naval presence of the Russians in the Black Sea. Can you give us a sense of your own knowledge of that region of the world and what more we can do working with NATO, working with you to counter Russians Russia's control of the Black Sea region and stop her from further advancing in that region in the sea lanes. Any comments on that?

GILDAY:

So ma'am, the best thing that we can do in the Black Sea is to be in the Black Sea. We just had a ship leave the Turkish Straits overnight. The USS Ross. She actually did a rescue of--of some Turkish fishing vessel where the boat was on fire and the rescued--they rescued civilian mariners from that vessel. But we are doing multiple patrols in the Black Sea a year. And so our presence there is really reassuring to countries like Ukraine that we do have a presence and to show the Russians that--that they don't control that water space. And so again, we are--that is routinely an area where General Walters, the European command commander has us operate as well as the Eastern Mediterranean.

KAPTUR:

I think my taint time may be closing here, but I just want to get a sense do you view that the Russians are sort of in a static position or do you view the Russian Navy as pushing? Do you feel the edge more or do you feel some step back at this point?

GILDAY:

Definitely feel the edge more. Definitely feel the muscles flexing with sharp--sharp elbows in that region.

KAPTUR:

Thank you very much..

VISCLOSKY:

(OFF-MIC)

MCCOLLUM:

Been doing a little research for my next question here. I'm going to ask you about Arctic operations. The last two years, the Navy has had to carriers participate in Arctic training exercises, one with--one involved the USS Harry Truman with NATO and in 2018, the U.S. Theodore Roosevelt in the northern edge in Alaska last year. And the Marines have conducted several training exercises with our NATO partners in Norway since 2017.

The Navy is treating the Arctic region with the concern that I believe it warrants given Russia and China's increased activities in the region. Mr. Secretary, you're right on. China has been calling itself a near Arctic nation, but now they have a new tagline and I wanted to get it right, so I looked it up. It wants to--they want to be Arctic to be part of the polar Silk Road. So they were all in and we know they have scientific stations in Iceland, built a new Embassy in Iceland that's area expansive.

So can you let the committee know as we are getting more involved in supporting your efforts in the Arctic, but I think a lot of our colleagues here in Congress still don't think of China, they don't take of the Arctic, they don't realize Russia's vast increase in activity in the Arctic. Can you tell us some of the hazards of the Arctic and the impacts that you might see naval operations encountering Russian Mark what kind of damage, for example, might our ships sustain due to ice buildup were sailing in heavy seas because the weather can turn--I'm from Minnesota. The weather can turn on a dime up there. I think it turns fast here, it turns fast faster in the Arctic.

What are your learning--I know there's been more cooperation with--with NATO, even the national guard exchanges with Canada, Denmark, and Norway about what they do with their ships because they are regularly in these heavy conditions. I won't even tell--you probably know the numbers of our icebreakers our NATO allies have, how many we don't have and how many China's building and looking at even building nuclear. But the question I would also include the Marines on is gear's different, training's different. You have to train to be everywhere in the world as marines, and we thank you for doing that, but there might be some investments or things we need to look in, in either cold-weather research or making sure that supplies and training are available for the Marines because they could be deployed in some very tough, tough conditions. Thank you, gentlemen.

MODLY:

Well, I absolutely agree with what you're--with your conclusion about the challenges that we're going to have there. We're not really used to operating up there as some of our adversaries might be. The Russians, for sure, are much more capable at operating in those conditions. They have a greater inventory of icebreakers than we have. And as the climate changes and we're seeing some of that sea ice recede a little bit, it's creating more opportunities for sea lanes, for transportation of goods and services across that--the polar regions. So that's more for us to protect.

And so that creates a lot of challenges for us also in terms of their proximity with respect to missile proximity that they could launch from that area down into North America. It creates

challenges for us there. We have a huge asset up in that region, and that's the state of Alaska where we could use that probably more in terms of areas to train, to place forces, to work collaboratively with our other services. Actually the secretary of the Air Force and secretary of the Army and I decided just this week that we're going to put together a team to start thinking about that part of the world and how we could do things collaboratively (INAUDIBLE) so that we can leverage each other in terms of creating greater presence up in that region. I'll ask the CNO to talk specifically about some of the maritime challenges, as well as the Commandant about the challenges in training marines to function in cold climates.

GILDAY:

So ma'am, to echo some of the things you said or underpin them, the Bering Straits will soon be considered strategic straits just like the Strait of Malacca, just like--just like the Suez, just like the Panama Canal. Particularly with the receding ice cap, it's going to get more competitive up there in terms of natural resources, in terms of sea room to maneuver, in terms of trade routes. And so we've seen this coming and have increased our exercises up there.

The Commandant, I know, is going to speak about the amphibious exercise last fall, and one that we're just finishing up right now with the Norwegians. In the past month, I've met with my Norwegian counterpart, my Canadian counterpart, to talk about additional exercises that we can--we can do up north. We're doing ICEX right now in Alaska with two U.S. submarines and one UK submarine. So our drumbeat of exercises up there is steadily--has been steadily increasing with much attention by the secretary of defense and his staff, as well.

BERGER:

Ma'am, those of us who have trained in extreme cold weather would agree with you 100 percent. It is not just colder. I think--I want to speak for General O'Shaughnessy because he

lays it out really straightforward. There is a homeland defense aspect of what you're alluding to. And then there's a keep the Maritime Commons open.

MCCOLLUM:

Right.

BERGER:

Two different lenses to look through, both critically important and both, I would offer--and you confirmed the naval force is key to both, as is the rest of the joint force. We're going to go where the Navy goes. We need to operate wherever we're sent. It is partly a matter of gear, as you--as you highlight that's unique to that environment, but it's also a more basic fundamental level of leadership under extreme conditions that you can't simulate anywhere else. There are only a handful of places where you can get to that level of small unit leader leadership where it makes that kind of a difference in that adverse environment.

Alaska, Norway, we do train in both. Great opportunities to train. Alaska, in fact, you get the dual advantage in Alaska of a huge airspace, a huge sea space. You can--you can stretch the muscles of a joint force in Alaska in a way that's difficult to do in most other places.

Absolutely, yes. We're not going to have a specialized cold-weather force because as you point out, we have to be able to operate wherever around the globe. But where the Navy goes, we're going to go, and that includes the Arctic.

MCCOLLUM:

Well, I would hope that as ships are being deployed, the maintenance, what happen--the stress on the metal, a whole lot of things needs to be--needs to be taken in account, and I'm sure you're doing that with working with, you know, engineers, and--because equipment's going to change when it's subject to that kind of cold, and that needs to be worked into a maintenance log. When I started working people--Mr. Calvert was very nice to me all the time. He knew I was going to ask about icebreakers for years and years and years. You know, it's like well no, we'll pay for them. The Coast Guard can pay for them. Well, the Coast

Guard can do some of them, but I think the DoD needs to be stepping up, and we need to have some that are fully at your disposal, equipped in a way to do what you need them to do and not just rely on Coast Guard, which is also going to have other maritime responsibilities for the commercial shipping that's taking place, as well as commercial fishing in there.

So I look forward to working with all the branches of the service, but with the Navy and the Marine Corps, in particular, to make sure that we have the training, we have the equipment, we have the ingenuity, we have the research going on because this is--Alaska's either your front yard or your backyard, depending upon how you're facing. And China might want to be near the Arctic, but it's not an arctic nation. We are. And so we need to take care of our yard. Thank you.

VISCLOSKY:

If I could follow up on Ms. McCollum's question, historically it has been the Coast Guard for icebreakers, and given the commentary relative to the Russians and their number of icebreakers, and the opening up the Arctic, do you foresee--and I know there's no money in the '21 budget--that that might change and the Navy might have a role in that?

GILDAY:

So sir, we did make an investment. Actually Joint Program Office at the Coast Guard for one, right, exactly, for one, and the Commandant of the Coast Guard reminded me of that this week when we traveled. It is--it is presently a Coast Guard--it is presently a Coast Guard mission, and that polar security cutter, I think they're going to deliver it within the next two years. I know that answer is unsatisfying, ma'am, but right now that is a Coast Guard mission.

VISCLOSKY:

Gentlemen, I'd get to shipbuilding in an inverse manner from what Ms. McCollum had talked about earlier and a number of other members. We had a conversation last week about the littoral combat ship, and I'm not going to revisit that conversation. But for the record, I

would like to know how much the United States Navy paid for those first four littoral combat ships that are going to be decommissioned. It's come to my attention there's going to be three dock landing ships also that are going to be decommissioned. Also, in the '21 budget, I assume it may be in the submission. If not, what is the cost for the decommissioning as far as providing for it in the '21 budget?

Having said that, though, and the explanation being the cost of, if you would, refurbishing these ships to the extent--and I'm still having a very difficult time coming to grips that we had four experimental ships before we built the fifth one. But I'll give you that. My understanding is the LCS mission modules are finishing testing, and they will complete test on these ships and others in the fleet. Will other LCSs have to be redesigned? Will there be other testing? Will there be other changes? Again, kind of looking forward, okay, I'm unhappy about those four. But if we're still doing testing, we're still developing modules, is this going to be a continuing saga?

GILDAY:

Sir, so the testing we did with those first four hulls actually informed the modifications that had to be made with the block buys we did with LCS-5 going forward so that we could put missile systems, the anti-submarine warfare package, the anti-surface warfare package and the mine warfare package. And so the things that we found in those first four vessels included propulsion issues, both with water jets and reduction gears, that weren't working properly. So the engineering plants were--the propulsion plants, as well as the electrical plants, were unreliable. And so we learned from those four vessels and have actually retrofitted the newer vessels to have modifications that have taken care of those problems.

We needed increased--we learned from testing that we needed increased cooling systems. We had to change out, completely change out cooling systems in order to accommodate those modules that I just spoke to. And there are also command-and-control modifications that were made in order to get the most out of those new mission modules that were putting on--on the LCS's(PH). The--the surface mission modules they are already being installed. The ASW, the anti-submarine warfare mission modules they will finish their testing this

year and then the modules will finish their testing the following year so we are looking at maiden deployments for these new systems within the next couple of years.

VISCLOSKY:

There is a lot of focus on the Columbia for good reason but I would like to turn for a few minutes just to the nuclear weapons modernization program itself. I am going to be at the energy and water committee later today. Mr. Cuellar and I are members as well as Ms. Kaptur is chairing the committee and the NNSA is going to come in today. According to its agencies 2020 stockpile stewardship management plan they said they did not intend to ask for any more than \$15.5 billion for weapons activity until the early 2030s and the again this is their budget submission. Yet they are now for 2021 seeking \$15.6 billion which is 25 percent more than current year funding. Admiral, your budget proposal talks about the development of the W 93(SP) and in the 1920(SP) budget the W 93 design was not planned to begin until fiscal year 2023. The question really is what has changed relative to the investment in this warhead and will this investment starting earlier affect other investments the Navy has to make West and Mark

GILDAY:

Sir, I can't speak in terms of--in terms of comparing bad investment that against others. We could certainly take a look at that but I will say that the actions that we are taking are based on the nuclear posture review as you know in terms of the modification of some of those weapons. I think the investments that we are making are a pretty steady glide slope and I am fairly modest with respect to--with respect to keeping the Arsenal up to date.

VISCLOSKY:

One final question in the same vein. According to a 2019 report by the Government accountability office plans to refurbish Navy shipyards including those that are critical to the modernization effort are suffering from delays in cost overruns with regard to our nuclear deterrence so what are the strategic risk of neglecting these (INAUDIBLE)--refurbishment projects and how is the Navy planning to make that investment if I could?

GILDAY:

Sir, the strategic investment plan that we have for shipyards of for public shipyards if that is what you are talking about, \$20 billion over 20 years and so right now we have three milcon(SP) projects ongoing and another eight are requested--in the budget that you have, our budget--budget request for '21. We are really committed to updating those yards. The average age as I mentioned before is 76 years old. The condition relative to other infrastructure we would rate as poor and so it has become a priority for us. It is an area that we have probably under resource for a number of years and it has finally come to roost in terms of being able to continue to do high quality maintenance on those nuclear ships, nuclear capable ships we have to continue to make the investment in those--in that infrastructure.

VISCLOSKY:

Great. Mr. Calvert?

CALVERT:

More of just a comment as we are ending this hearing. You mentioned the digital twin earlier Admiral it is obviously very exciting technology and I came out of the small business innovation program. Can you get back to us and tell us how successful that is and how well that is doing or maybe want to make a comment about (INAUDIBLE)

GILDAY:

Yes--yes, sir. Absolutely. So right now it is very promising in terms of creating these digital twins for all for shipyards that allow us virtually to take a look at how would we streamline the production lines and processes but we will come back to you, sir, and--sir, adequately answer your question.

CALVERT:

Thank you.

VISCLOSKY:

Gentleman I think we are at the conclusion. Mr. Aguilar mentioned the hypersonics program obviously very important across these services and from I think all of our perspective and I am sure you are cognizant but I just feel compelled to say it is issue of making sure we are coordinating these investments so that we are not getting in each other's way because obviously we are in a competition of very important program.

Thank you for your service. Thank you very much today. We are adjourned.

List of Panel Members and Witnesses

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CHIEF OF NAVAL OPERATIONS ADMIRAL MICHAEL M. GILDAY

ACTING SECRETARY OF THE NAVY THOMAS B. MODLY

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